

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

November 7, 1989



ALL COUNTY LETTER NO.: 89-97

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: ESTABLISHMENT OF FOOD STAMP ADMINISTRATIVE
DISQUALIFICATION HEARING (ADH) MONETARY LIMIT

REFERENCES: State Regulations: MPP 22-200 et al.
All County Letter No.: 88-43
Federal Regulations: 7 CFR 273.16 et al.

The purpose of this letter is to advise the counties that effective January 1, 1990, the Administrative Adjudications Division (AAD) will impose a \$250 monetary limit for most suspected Intentional Program Violation (IPV)/fraud requests that are sent to the Department of Social Services (DSS) for scheduling. The \$250 limit shall apply to most requests that represent an individual's first offense. There will be no monetary limit applicable to an individual's second or third violation. This action is being taken at the specific request of the United States Food and Nutrition Service (FNS) which has concluded that it is not cost effective for this state to conduct Food Stamp administrative disqualification hearings which involve low overissuance amounts.

Under this scheme, the AAD will review the sufficiency of an ADH request for an individual who has no prior IPV/fraud disqualifications when the request can meet at least one of the following three conditions:

- (a) The overissuance caused by the suspected intentional program violation/fraud is \$250 or more; or
- (b) The sum of the overissuance caused by the suspected IPV/fraud and all inadvertent household error overissuances that occurred in the last two years immediately preceding the date of discovery of the suspected IPV/fraud is \$250 or more; or
- (c) The individual was employed by a governmental entity (city, county, state or federal office) at the time of the alleged IPV/fraud. (This provision was added at the specific request of FNS.)

The county is given two ways in which to meet the ADH monetary limit and there is no monetary limit applicable to (c) above. Several examples of (b) are as follows:

Example: The suspected IPV overissuance is \$50. However, in the two-year period prior to the discovery of the IPV, the individual had received \$200 because of four separate inadvertent household error overissuances. Since the total figure is \$250, the county has met the ADH monetary limit.

Example: The individual is accused of intentionally providing false information on the application. The county discovered the suspected IPV before it resulted in any overissuance. This individual had received a \$300 inadvertent household error overissuance within the two-year period prior to the county's discovery of the suspected IPV. The county has met the \$250 ADH monetary limit.

Where the county will meet the ADH monetary limit because of (b) above, the county should note in its ADH request, the reason it believes that the monetary limit test has been met. It will be sufficient to simply state "the respondent received inadvertent household overissuance(s) of \$ _____ during the months of _____." No additional evidence or verification need be given since the inadvertent household error overissuance will not be an issue at the ADH.

As noted earlier, there shall be no overissuance figure limit for an individual who is being charged with a second or later violation. In this instance, the new act of suspected IPV/fraud will have occurred after the determination that the earlier violation had been committed. Such determination may have been made by the department through an administrative disqualification hearing or by a court of appropriate jurisdiction.

In establishing this monetary limit, the department would like to emphasize that while the ADH process will, in most instances, not be available to pursue overissuances under the designated figure, the county should continue to strive to maximize recovery by treating such overissuances as inadvertent household errors.

We have set the start date for January 1, 1990 in order to permit those counties which are currently working on ADH requests that involve overissuances of less than \$250 to submit such requests for scheduling prior to January 1. However, we are strongly suggesting that counties do not begin any new cases (or returned cases) that involve individual or combined overissuances of less than \$250. The emphasis and focus in the ADH area should be on cases with alleged overissuance figures of at least \$250.

If you have have any questions regarding the imposition of the monetary limit or suggestions for the Department to consider on this issue, please contact Laurence H. Geller, Supervising Administrative Law Judge, at (916) 324-4500.



THOMAS S. WILCOCK
Chief Administrative Law Judge
Administrative Adjudications Division